GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:6519
ANSWERED ON:09.05.2005
QUALITY AND PRICES OF STEEL
Jha Shri Raghunath

Will the Minister of STEEL be pleased to state:

(a) whether the Government has yet not set-up research projects to aim at reducing the cost of steel items to improve quality of steel products etc.;

(b) if so, the reasons therefor;

(c) the reasons for the prices of steel products being higher in India and the quality of steel products being inferior in comparison to other countries; and

(d) the steps the Government proposes to take to improve the quality of steel and to reduce the prices of steel utensils etc.?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)&(b): Research & Development (R&D) in the Indian Iron & Steel Sector is mainly carried out by the Steel Plants themselves. However, to encourage the R&D activities, Government has decided to spend upto Rs.150 crores per annum to supplement the R&D expenditure. Accordingly, an Empowered Committee has been set up for overall direction in R&D and approving/ reviewing specific R&D projects. So far 36 R&D projects have been approved, out of which 20 research projects have been completed. These projects aim at improving productivity, yield, process efficiency, cost reduction as well as quality improvement.

(c) Following deregulation of prices in 1991-92, domestic prices of steel have become market determined. In general, Domestic market prices remain aligned with the international prices. Generally speaking, quality of Indian steel products is comparable to the quality of steel in other countries and Indian steel products have been widely accepted in terms of quality performance in various countries including the developed countries.

(d) Post liberalization, Government has allowed free import of technology and capital goods as well as raw material. While the existing steel plants are being modernized to adopt the modern technological innovations; new plants are being set up adopting the latest, state-of-the-art technologies to achieve improved productivity and to produce quality steel at competitive cost. Further, to reduce the cost of production of steel including stainless steel (which are inputs for stainless steel utensils) Government has reduced the customs duty on some of the vital inputs used for production of steel. Besides, customs duty on non-alloy/ alloy/stainless steel products has also been reduced.